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S E C R E T SECTION 01 OF 02 AMMAN 002381

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DEPARTMENT FOR NEA/ELA, NEA/I, AND EEB

E.O. 12958: DECL: 08/13/2028

TAGS: PREL EPET IZ JO

SUBJECT: AFTER IRAQ VIST, JORDAN'S KING TO PUSH PEERS TO

FOLLOW SUIT

REF: A. AMMAN 2371 <u>1</u>B. AMMAN 2354

1C. 07 AMMAN 4278

10. 07 AMMAN 4217
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Classified By: Ambassador R. Stephen Beecroft, for reasons 1.4 (b) and (d).

- 11. (C) Summary: King Abdullah and the senior officials who accompanied him to Iraq on August 11 consider the visit a success, and one that will lead to intensified bilateral contacts. The King also hopes to use the example he has just set to convince other Arab leaders to follow suit. Our contacts were largely positive on the visit, seeing strong Jordanian economic interests in rekindling its relations with Iraq, lingering doubts about its leaders notwithstanding. End Summary.
- 12. (S) Royal Court Chief Bassem Awadallah offered his thanks on August 13 for USG support in making the visit happen, and for keeping its planning quiet. Per Awadallah, the King called MNF-I Commanding General David Petraeus on August 12 to offer similar thanks. In the Palace's view, the visit went very well, and anticipated negative local and pan-Arab media reactions to the visit e.g., assertions that it happened at U.S. insistence had not yet materialized (Ref A). Awadallah noted the importance of an Arab leader visiting Baghdad to assure Iraq that it was welcome back into the Arab world, and as a way to fend off Iranian influence. It was good that Jordan was the first Arab state to send its leader to Iraq since the U.S. invasion, he said, and it should open the door to further visits by the King's regional peers.
- (S) Speaking about other bilateral meetings held during the visit of the king and his entourage, Awadallah noted that Iraqi Oil Minister Hussein Al-Shahristani held a good discussion with Prime Minister Nader Dahabi, and added that Jordan will respond to the Iraqi offer to further discount oil sales to Jordan. Note: Iraq reportedly agreed to increase the discount offered to Jordan on Kirkuk crude oil from \$18 to \$22 per barrel below the international price, in order to help Jordan cover the higher costs of transporting the oil. End Note. Jordan is also keen on pursuing bilateral pipeline options. Finally, Awadallah said, Iraqi National Security Advisor Muwaffaq Al-Ruba'i held constructive talks with GID Director LtG Muhammad Dahabi on bilateral security and intelligence cooperation, especially regarding Al-Qa'ida. Separately, Foreign Minister Salah Al-Bashir told DCM August 12 that the meeting with Iraqi VP Adel Abd Al-Mahdi was very positive, even if short. According to Bashir, the bilateral political relationship will require further work, but was a good start that opens the way for further progress. An official traveling with the King noted that the whole party was happy with the trip, and said discussions with Maliki were positive. The official recounted that Prince Ali expected that the trip would open

the way to regular ministerial-level meetings. The same contact reported that the King mentioned he had been working with other Arab leaders to encourage them to support Maliki and anticipated that some were coming around, but it would take time with the Saudis.

Contacts See Success, Await Results

- 14. (C) A quick survey of Post contacts found that most agreed the time had come for Jordan and Iraq to come together, though some focused more on Jordan's lack of choice but to resume historically and necessarily close ties with its resource-rich eastern neighbor, than on any newfound comfort with Maliki. All hoped the King's gesture and resultant warming ties would translate quickly into concrete benefits for Jordan. Political commentator Daoud Kuttab told PolOffs that the spontaneity of the King's visit garnered more extensive media coverage than his previously planned visit would have received. Saying that the "discount on oil played well," Kuttab saw the visit as the first step in the re-opening of relations between Jordan and Iraq.
- 15. (C) Senator Marwan Dudin a former chairman of the Upper House's Foreign Affairs Committee said he had learned of the King's trip from a member of the Royal Family while at a diplomatic event. He noted the eagerness of members of Jordan's business community to reenter the Iraqi market, which had brought them prosperity under Saddam Hussein. He characterized the King as embracing Iraq as a nation, rather than Nuri Al-Maliki per se. Whatever Maliki's flaws, said Dudin, Jordan cannot afford to ignore Iraq, and must deal

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with it "in a businesslike manner; emotional doesn't work."

- 16. (C) Former Foreign Minister Kamel Abu Jaber called the King's visit "a shot in the arm for the Iraqis" and a signal that Jordan and Iraq are returning to their "historically close" relationship. Abu Jaber believes other moderate Arab leaders will soon follow the King's example and resume diplomatic engagement with Iraq. He sees economic reasons as the primary impetus behind the visit, a feeling echoed by the media reaction, which focused on the potential for resumption of discounted Iraqi oil flows to Jordan. "Now that Iraq is stabilizing, it's good for the King to go and make a deal," Abu Jaber says. Yet geopolitical concerns are also part of the King's logic, in Abu Jaber,s opinion. He asserts that "Iraq is Jordan's strategic depth" when it comes to Israel (should that relationship sour), and "Jordan is Iraq's strategic depth" when it comes to Iran.
- 17. (C) Oraib Rantawi, Director of the Al-Quds Center for Political Studies, saw bilateral as opposed to geostrategic imperatives driving the King's latest visit: "I don't think it has too much to do with deciding the future of Iraq, moving Iraq away from Iran." The improved security situation in Iraq, he said, made it more likely that oil and trade deals could actually be implemented. Such deals are desperately needed given the economic difficulties here, and Jordan, unlike many of the oil rich Gulf States, needs Iraq, and cannot afford to remain standoffish for political reasons.
- 18. (C) The visit did not play popularly everywhere, however. When PolOff met on August 13 with a group of twenty Palestinian refugee women in Zarqa Camp, they chided the King for paying more attention to foreign affairs than to the domestic plight of Jordanian citizens. They understood the diplomatic and political symbolism of the King's trip, but were firmly fixated on his ability to obtain further discounts on oil from Iraq. Most were unconvinced by news reports of concessions in oil contracts between Iraq and Jordan; they are waiting to see the benefits at the pump, as reductions in the price of fuel in Jordan have so far not kept pace with the gradual reduction in global oil prices (Ref B)

19. (C) The Head of the Jordanian Parliament's Financial and Economic Committee was cited in the local press as saying that one of the most important outcomes of the royal visit to Baghdad was progress in implementing the oil deal between Iraq and Jordan - gibing with the economic priorities our contacts cited. Jordan initially signed an agreement with Iraq in August 2006 to import from 10,000 to 30,000 barrels per day, which would meet 10-30 percent of Jordan's daily needs. The Ministry of Energy and Mineral Resources confirmed to EconOffs, however, that only about 30,000 barrels in total actually made it to Jordan's refinery over sporadic intervals since 2006 due to technical and security problems (Refs C-E). Meanwhile, the Iraqi-Jordanian Land Transport Company that was originally contracted to handle transportation of the oil is currently in the process of being liquidated. Comment: Although the two sides agreed in June 2008 to extend the oil agreement for an additional three years, many remain skeptical that the deal will actually bear any substantial fruit as long as the mechanism of transporting the Iraq oil to Jordan continues to be an issue. End Comment.

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